



Canadian Forest Products Ltd.

Canfor Wood Products Marketing

July 12, 2010

TO: SURFACE TRANSPORTATION BOARD
SUBJECT: Docket No. EP290 (Sub-No. 4)
RAILROAD COST RECOVERY PROCESURES –
PRODUCTIVITY ADJUSTMENT

227423

Docket No. EP 290 (Sub-No. 5) (2010-2)
QUARTERLY RAIL COST ADJUSTMENT FACTOR

2274/24

To whom it may concern:

Canadian Forest Products Ltd. (Canfor) is a leading integrated forest products company with operations in Canada and the United States. The proposed change to the RCAF calculations discussed in Docket No. EP290 (Sub-No. 4) et al is of major interest to Canfor.

In 2004, the Canadian National Railway (CN) acquired the British Columbia Railway (BCOL) from the Provincial Government of British Columbia. As part of the purchase agreement, an Open Gateway Rate Matrix (OGRM) was set-up to provide all shippers on the former BCOL territories with competitive access to the BNSF, Union Pacific (15 Prop Agreement) and Canadian Pacific Railways. The matrix's freight rates are adjusted on an annual basis using the RCAF factor. Therefore any restating of the RCAF will impact the OGRM and in turn may affect the competitiveness of various shippers.

Regrettably Canfor only received notification on July 12th of the Surface Transportation Board's request for comments and therefore requests supplementary time in order to carry out a proper review on the restating of the RCAF and its potential impact on our business

Sincerely yours,

Brian Knight
Manager – North American Transportation
Canadian Forest Products Ltd.